

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

| | | | | |
|---|--------------|-----------------|--------------------------------------|--------|
| Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other | | Local Unit Name | | County |
| Fiscal Year End | Opinion Date | | Date Audit Report Submitted to State | |

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

| | | | | |
|--|--------------------------|--|----------------|-----|
| We have enclosed the following: | Enclosed | Not Required (enter a brief justification) | | |
| Financial Statements | <input type="checkbox"/> | | | |
| The letter of Comments and Recommendations | <input type="checkbox"/> | | | |
| Other (Describe) | <input type="checkbox"/> | | | |
| Certified Public Accountant (Firm Name) | | Telephone Number | | |
| Street Address | | City | State | Zip |
| Authorizing CPA Signature  | Printed Name | | License Number | |

Bellevue Township

Eaton County, Michigan

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

Year Ended March 31, 2007

Bellevue Township

Eaton County, Michigan

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March 31, 2007

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INDEPENDENT AUDITORS' REPORT

To the Board
Bellevue Township
Eaton County, Michigan

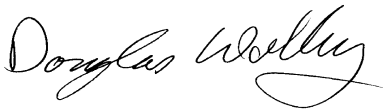
We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Bellevue Township as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bellevue Township management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Bellevue Township as of March 31, 2007, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison schedule is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be a part of, the basic financial statements.



Grand Rapids, Michigan
November 23, 2007

Bellevue Township

MANAGEMENT'S DISCUSSION AND ANALYSIS

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

In a condensed format, the table below shows the net assets as of March 31, 2007:

| | Governmental Activities |
|--|----------------------------|
| | 2007 |
| Current assets | \$ 438,163 |
| Noncurrent assets | 40,000 |
| Total assets | 478,163 |
| Other liabilities | 6,572 |
| Total liabilities | 6,572 |
| Net assets | |
| Invested in capital assets - net of debt | 40,000 |
| Unrestricted | 431,591 |
| Total net assets | \$ 471,591 |

Unrestricted net assets, the part of net assets that can be used to finance day to day operations, decreased by \$813 for the governmental activities. The current level of unrestricted net assets for our governmental activities stands at \$431,591, or about 151% of expenditures. This is within the targeted range set by the Township Board during its last budget process.

Bellevue Township

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table shows the changes of the net assets as of March 31, 2007 to the prior year:

| | 2007 |
|------------------------------------|------------------------|
| <u>Program revenues</u> | |
| Charges for services | \$ 70,194 |
| Operating grants and contributions | 26,473 |
| <u>General Revenue</u> | |
| Property tax | 56,207 |
| State revenue | 121,384 |
| Unrestricted investment income | 9,252 |
| Miscellaneous | 1,689 |
| <u>Total Revenues</u> | <u>285,199</u> |
| <u>Program expenses</u> | |
| General government | 148,126 |
| Public safety | 40,493 |
| Public works | 52,830 |
| Community development | 8,977 |
| Recreation and culture | 35,586 |
| <u>Total expenses</u> | <u>286,012</u> |
| <u>Change in net assets</u> | <u>\$ (813)</u> |

Governmental Activities

There was no significant change in governmental activities from the previous year.

The Township's Funds

Our analysis of the Township's major fund begins on page 10, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major fund for the year ended March 31, 2007 was the General Fund.

Capital Asset and Debt Administration

At March 31, 2007, the Township had \$40,000, net of accumulated depreciation, invested in land, building and equipment.

The Township had no debt outstanding.

Bellevue Township

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

The Township's budget for 2008 remains little changed from the year ended March 31, 2007 because the Township expects to make no significant additions to its capital assets.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township's Supervisor at the Bellevue Township Hall, 115 North Main Street, Bellevue, Michigan, 49021. The Township's phone number is (269) 763-2989.

BASIC FINANCIAL STATEMENTS

Bellevue Township

Eaton County, Michigan

Statement of Net Assets

For the year ended March 31, 2007

| | Governmental activities | |
|---|-------------------------|----------------|
| <u>GOVERNMENTAL ASSETS</u> | | |
| Cash and cash equivalents | \$ | 357,668 |
| Receivables (net) | | 80,495 |
| Capital assets - net | | 40,000 |
| TOTAL ASSETS | \$ | 478,163 |
| <u>GOVERNMENTAL LIABILITIES</u> | | |
| Accounts payable | \$ | 5,838 |
| Accrued and other liabilities | | 734 |
| TOTAL LIABILITIES | | 6,572 |
| <u>GOVERNMENTAL NET ASSETS</u> | | |
| Invested in capital assets | | 40,000 |
| Unrestricted | | 431,591 |
| TOTAL NET ASSETS | | 471,591 |
| TOTAL LIABILITIES AND NET ASSETS | \$ | 478,163 |

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township

Eaton County, Michigan

Statement of Activities

For the year ended March 31, 2007

| Functions/Programs | Expenses | Charges for services | Operating grants and contributions | Governmental activities |
|---|-------------------|----------------------|------------------------------------|-------------------------|
| PRIMARY GOVERNMENT EXPENSES | | | | |
| General government | \$ 148,126 | \$ 40,222 | \$ 2,592 | \$ (105,312) |
| Public safety | 40,493 | 12,440 | 5,438 | (22,615) |
| Public works | 52,830 | 10,018 | 3,745 | (39,067) |
| Community and economic development | 8,977 | - | - | (8,977) |
| Recreation and culture | 35,586 | 7,514 | 14,698 | (13,374) |
| Total Governmental activities | \$ 286,012 | \$ 70,194 | 26,473 | (189,345) |
| General Revenues | | | | |
| Property taxes | | | | 56,207 |
| State-shared revenue | | | | 121,384 |
| Unrestricted investment income | | | | 9,252 |
| Miscellaneous | | | | 1,689 |
| Total general revenues - special items and transfers | | | | 188,532 |
| Change in net assets | | | | (813) |
| Net assets at beginning of year | | | | 472,404 |
| Net assets at end of year | | | \$ | 471,591 |

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township
Eaton County, Michigan
Governmental Funds
Balance Sheet
March 31, 2007

| | | <u>General Fund</u> |
|---|-----------|---------------------|
| <u>ASSETS</u> | | |
| Cash | \$ | 357,668 |
| Taxes receivable | | 80,495 |
| TOTAL ASSETS | \$ | 438,163 |
| <u>LIABILITIES AND FUND EQUITY</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts payable | \$ | 5,838 |
| Payroll deductions payable | | 734 |
| TOTAL LIABILITIES | | 6,572 |
| <u>FUND BALANCES</u> | | |
| Undesignated | | 431,591 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ | 438,163 |

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township

Eaton County, Michigan

Reconciliation of Fund Balance of Governmental Funds to the Net Assets of Governmental Activities on the Statement of Net Assets

For the year ended March 31, 2007

| | | |
|--|----|---------|
| <hr/> | | |
| Total fund balances - total governmental funds | \$ | 431,591 |
| | | |
| Amounts reported for governmental activities in the statement of net assets are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of: | | |
| Capital assets at cost | | 40,000 |
| <hr/> | | |
| Net assets of governmental activities | \$ | 471,591 |
| <hr/> | | |

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township

Eaton County, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

For the year ended March 31, 2007

| General Fund | |
|---|-------------------|
| REVENUE | |
| Taxes | \$ 80,495 |
| State grants | 129,992 |
| Federal grants | 5,168 |
| Fines and forfeitures | 14,766 |
| Charges for services | 36,409 |
| Interest and rents | 9,252 |
| Other revenue | 9,148 |
| TOTAL REVENUE | 285,230 |
| EXPENDITURES | |
| General government | 121,416 |
| Public safety | 40,493 |
| Public works | 52,830 |
| Community and economic development | 17,598 |
| Recreation and culture | 35,586 |
| Other | 18,120 |
| TOTAL EXPENDITURES | 286,043 |
| NET CHANGE IN FUND BALANCES | (813) |
| FUND BALANCES, BEGINNING OF YEAR | 432,404 |
| FUND BALANCES, END OF YEAR | \$ 431,591 |

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township

Eaton County, Michigan

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities**

For the year ended March 31, 2007

| | | | | | |
|--|--|--|----|--|-------|
| | | | | | |
| Net change in fund balances - total governmental funds | | | \$ | | (813) |
| | | | | | |
| Change in net assets of government activities | | | \$ | | (813) |

The Notes to the Financial Statements are an integral part of this statement.

Bellevue Township

Eaton County, Michigan

Fiduciary Fund

Statement of Net Assets

For the year ended March 31, 2007

| <u>Agency Fund Type</u> | | |
|-------------------------|----|---------|
| <u>ASSETS</u> | | |
| Cash | \$ | 158,921 |
| <u>LIABILITIES</u> | | |
| Undistributed taxes | \$ | 158,921 |

The Notes to the Financial Statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

Bellevue Township
Eaton County, Michigan
Notes to Basic Financial Statements
For the year ended March 31, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Bellevue Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Bellevue Township:

A. Reporting Entity

Bellevue Township is governed by an elected five member Board. The Township has no component units, entities for which the government is considered to be financially accountable.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Bellevue Township's property tax is levied on each December 1 on the taxable valuation of property (as defined by State statutes) located in Bellevue Township as of the preceding December 31st.

The 2006 taxable valuation of Bellevue Township totaled \$68,466,200, on which ad valorem taxes levied consisted of the following:

| | <u>Mills levied</u> | <u>Raising</u> |
|------------------|---------------------|------------------|
| <u>Operating</u> | <u>0.8220</u> | <u>\$ 56,279</u> |

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government.

Bellevue Township
Eaton County, Michigan
Notes to Basic Financial Statements
For the year ended March 31, 2007

Additionally, the government reports the following fund types:

The Trust and agency fund accounts for property tax collected on behalf of the Township and other units.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in government-wide financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board.

C. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Capital Assets--Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Bellevue Township
Eaton County, Michigan
Notes to Basic Financial Statements
For the year ended March 31, 2007

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The Township normally follows these procedures in establishing the budgetary data reflected in the financial statements:

On or before March 1, the Township supervisor submits to the Board, a proposed operating budget for the fiscal year commencing on April 1. The operating budget includes proposed expenditures and the means of financing them.

A public hearing is conducted at the Township hall to obtain taxpayer comments.

On or before March 31, the budget is adopted by resolution.

Any revisions that alter the total expenditures of any fund must be approved by the Township Board.

Budgeted amounts are presented as originally adopted, or as amended by the Township Board before March 31. Individual amendments were not material in relation to the original appropriations which were amended.

Budgets as presented for the General Fund are prepared on the modified accrual basis of accounting on the activity level. Encumbrances are not recorded at year end. Budget appropriations lapse at the end of each fiscal year.

Budgetary amounts reported herein are as originally adopted, or as amended by the Township Board throughout the operating year.

The Township legally adopts budgets for the General Fund.

Budgets shown in the financial statements are adopted on a basis consistent with generally accepted accounting principles, and consist only of those amounts contained in the formal budget approved as amended by the Township Board.

The legal level of control is at the activity level of the General Fund.

The Township Clerk is authorized to transfer budgeted amounts between accounts within the same department. Revisions that alter the total expenditures of any fund or total department expenditures must be approved by the Township Board.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Bellevue Township
Eaton County, Michigan
Notes to Basic Financial Statements
For the year ended March 31, 2007

Excess of Expenditures Over Appropriations in Budgeted Funds--During the year, Bellevue Township incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

| | Budget appropriation | Actual Expenditure |
|------------------------------------|-------------------------|-----------------------|
| General Fund | | |
| Public safety | \$ 32,350 | \$ 35,617 |
| Community and economic development | - | 15,857 |
| Other governmental functions | 21,250 | 21,286 |

NOTE 3 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes Bellevue Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Bellevue Township Board has designated two banks for the deposit of Township funds. The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and certificates of deposit, but not the remainder of State statutory authority as listed above.

Bellevue Township's deposits and investment policy are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

| | Governmental activities | Fiduciary Funds | Total Primary Government |
|---------------------------|----------------------------|-----------------|-----------------------------|
| Cash and cash equivalents | \$ 357,668 | \$ 158,921 | \$ 516,589 |

The bank balance of the Township's deposits is \$441,801, of which \$301,063 is covered by federal depository insurance and \$140,738 is uninsured and uncollateralized.

Bellevue Township
Eaton County, Michigan
Notes to Basic Financial Statements
For the year ended March 31, 2007

NOTE 4 - RECEIVABLES

Receivables as of year-end for the Township's individual major and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

| | <u>General Fund</u> | |
|------------------|---------------------|--------|
| Taxes receivable | \$ | 80,495 |
| Net Receivables | \$ | 80,495 |

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

| Governmental Activities | Balance April 1, 2006 | | Additions | Disposals | Balance March 31, 2007 |
|------------------------------|--------------------------|--------|-----------|-----------|---------------------------|
| Assets not being depreciated | \$ | 40,000 | \$ | \$ | \$ 40,000 |

NOTE 6 - RISK MANAGEMENT

Bellevue Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. Bellevue Township has purchased commercial insurance for all claims and participates in the Accident Fund for claims relating to employee injuries. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

The Township has no post-retirement benefit plans at this time.

REQUIRED SUPPLEMENTAL INFORMATION

Bellevue Township
Eaton County, Michigan
General Fund
Balance Sheet
March 31, 2007

| 2007 | | |
|--|-----------|----------------|
| <u>ASSETS</u> | | |
| Cash | \$ | 357,668 |
| Taxes receivable | | 80,495 |
| TOTAL ASSETS | \$ | 438,163 |
| <u>LIABILITIES AND FUND EQUITY</u> | | |
| LIABILITIES | | |
| Accounts payable | \$ | 5,838 |
| Payroll deductions payable | | 734 |
| TOTAL LIABILITIES | | 6,572 |
| FUND BALANCES | | |
| Designated | | |
| Undesignated fund balance | | 431,591 |
| TOTAL FUND EQUITY | | 431,591 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ | 438,163 |

Bellevue Township
Eaton County, Michigan
General Fund
Budgetary Comparison Schedule
For the year ended March 31, 2007

| | Original budget | Final budget | Actual | Variance with final budget |
|-----------------------------------|--------------------|-----------------|----------------|----------------------------------|
| REVENUES | | | | |
| Property Taxes | | | | |
| Current real property taxes | \$ 63,000 | \$ 63,000 | \$ 56,207 | \$ (6,793) |
| Delinquent real property taxes | 6,000 | 6,000 | - | (6,000) |
| Property tax administration fee | - | - | 24,288 | 24,288 |
| Total Property Taxes | 69,000 | 69,000 | 80,495 | 11,495 |
| Federal Grants | | | | |
| FEMA grant | - | - | 5,168 | 5,168 |
| State Grants | | | | |
| State revenue sharing | - | - | 121,384 | 121,384 |
| Other state grants | 127,250 | 127,250 | 8,608 | (118,642) |
| Total State Grants | 127,250 | 127,250 | 129,992 | 2,742 |
| Fines and forfeitures | 11,000 | 11,000 | 14,766 | 3,766 |
| Charges for Services | | | | |
| Services rendered | 28,000 | 28,000 | 23,668 | (4,332) |
| Sales | 11,000 | 11,000 | 12,711 | 1,711 |
| Fees | - | - | 30 | 30 |
| Total Charges for Services | 39,000 | 39,000 | 36,409 | (2,591) |
| Interest and Rentals | | | | |
| Interest and dividends | 2,500 | 2,500 | 9,252 | 6,752 |
| Total Interest and Rentals | 2,500 | 2,500 | 9,252 | 6,752 |
| Other Revenue | | | | |
| Contributions and donations | - | - | 7,708 | 7,708 |
| Other | 1,200 | 1,200 | 609 | (591) |
| Refunds | - | - | 831 | 831 |
| Total Other Revenue | 1,200 | 1,200 | 9,148 | 7,948 |
| TOTAL REVENUES | 249,950 | 249,950 | 285,230 | 35,280 |

Bellevue Township
Eaton County, Michigan
General Fund
Budgetary Comparison Schedule
For the year ended March 31, 2007

EXPENDITURES

| | Original budget | Final budget | Actual | Variance with final budget |
|---------------------------------|--------------------|-----------------|----------------|----------------------------------|
| Township board | \$ 3,500 | \$ 3,500 | \$ 4,272 | \$ (772) |
| Supervisor | 13,600 | 13,600 | 13,722 | (122) |
| Clerk | 17,600 | 17,600 | 16,916 | 684 |
| Board of review | 1,200 | 1,200 | 1,006 | 194 |
| Treasurer | 23,400 | 23,400 | 24,368 | (968) |
| Assessor | 17,500 | 17,500 | 15,734 | 1,766 |
| Elections | 8,100 | 8,100 | 8,000 | 100 |
| Building and grounds | 3,000 | 3,000 | 8,545 | (5,545) |
| Cemetery | 37,500 | 37,500 | 28,853 | 8,647 |
| Total General government | 125,400 | 125,400 | 121,416 | 3,984 |
| Public safety | | | | |
| Fire department | 20,000 | 20,000 | 20,000 | - |
| First responder | 20,800 | 20,800 | 20,493 | 307 |
| Total Public safety | 40,800 | 40,800 | 40,493 | 307 |

Bellevue Township
Eaton County, Michigan
General Fund
Budgetary Comparison Schedule
For the year ended March 31, 2007

| | Original budget | Final budget | Actual | Variance with final budget |
|---|--------------------|-------------------|-------------------|----------------------------------|
| Public works | | | | |
| Drains | \$ 5,000 | \$ 5,000 | \$ 2,465 | \$ 2,535 |
| Street lighting | 600 | 600 | 429 | 171 |
| Highways, streets and bridges | 51,000 | 51,000 | 49,936 | 1,064 |
| Total Public works | 56,600 | 56,600 | 52,830 | 3,770 |
| Community and economic development | | | | |
| Planning | 18,100 | 18,100 | 17,598 | 502 |
| Recreation and culture | | | | |
| Library | 38,400 | 38,400 | 35,586 | 2,814 |
| Other governmental functions | | | | |
| Insurance | 11,000 | 11,000 | 11,419 | (419) |
| Retirement | - | 4,000 | - | 4,000 |
| Social security | 4,000 | - | 4,817 | (4,817) |
| Unemployment insurance | - | - | 545 | (545) |
| Workers compensation insurance | 1,000 | 1,000 | 926 | 74 |
| Other | 250 | 250 | 413 | (163) |
| Capital outlay | 5,000 | 5,000 | - | 5,000 |
| Total Other governmental functions | 21,250 | 21,250 | 18,120 | 3,130 |
| TOTAL EXPENDITURES | 300,550 | 300,550 | 286,043 | 14,507 |
| NET CHANGE IN FUND BALANCES | (50,600) | (50,600) | (813) | 49,787 |
| Fund balance at beginning of year | 290,656 | 290,656 | 432,404 | (141,748) |
| Fund balance at end of year | \$ 240,056 | \$ 240,056 | \$ 431,591 | \$ (91,961) |

AUDITORS' REPORTS

COMMUNICATION WITH AUDIT COMMITTEE OR ITS EQUIVALENT

To the Board
Bellevue Township
Eaton County, Michigan

We have audited the general purpose financial statements of Bellevue Township, Eaton County, Michigan for the year ended March 31, 2007, and have issued our report thereon dated November 23, 2007. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated May 2, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the general purpose financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of Bellevue Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

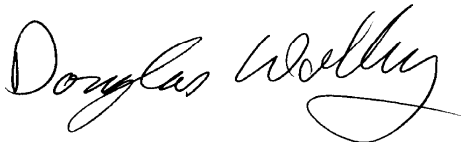
As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Bellevue Township's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Bellevue Township are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2007. We noted no transactions entered into by Bellevue Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Township Board and management of Bellevue Township and is not intended to be and should not be used by anyone other than these specified parties.



Douglas Wohlberg, CPA
Grand Rapids, Michigan
November 23, 2007

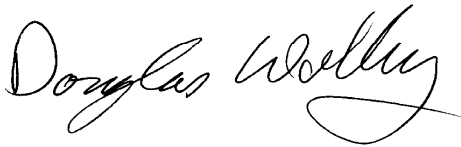
MANAGEMENT COMMENTS LETTER

To the Board
Bellevue Township
Eaton County, Michigan

In planning and performing our audit of the financial statements of Bellevue Township for the year ended March 31, 2007 we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated November 23, 2007 on the financial statements of Bellevue Township

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with Township personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations

A handwritten signature in black ink that reads "Douglas Wohlberg". The signature is written in a cursive, flowing style with a large loop at the end of the last name.

Douglas Wohlberg, CPA
Grand Rapids, Michigan
November 23, 2007

**Bellevue Township
Eaton County, Michigan
March 31, 2007
Management Comments Letter
Page 2**

Current comments and suggestions

1. During our audit we noted that the transactions in certain cash and savings accounts had not been recorded. We recommend the Clerk record transactions in those accounts as they occur and reconcile those accounts with the Treasurer.